LNF & IHCIF Calculations Illustration

- ROCKY BOY'S in Billings area -

Given Data

- 4,998 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 30% = % Expenditures on purchased services, 70% = % expenditures in-house
- 93.3% = Cost index for purchasing health care in this geographic area
- 112.7% = Size cost index for in-house costs due to small or large size
- 103.9% = Billings area cost index for health status above or below average

Cost Adjustment Calculations

- $827 per person for purchased services = 30% * 93.3% * $2,980
- $2,358 per person for in-house services = 70% * 112.7% * $2,980
- $3,185 per person total = $827 (purchase) + $2,358 (in-house)
- **$3,310 per person total** adjusted for health status = $3,185 * 103.9%
- **$2,565 per person net cost** = $3,310 - $745 Other resources (M&M&PI)

Existing Expenditures (for 4,998 users excluding wrap-around and collections)

- $1,112 per person = local IHS allowance (excludes $ for wrap-around)
- $341 per person = expenditures elsewhere in Billings area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$1,506 per person for OU users** = $1,112 + $341 + $54

LNF Calculation

- **45.5% Gross LNF** = $1,506 (expenditures) / $3,310 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **58.7% Net LNF** = $1,506 / $2,565 net cost ($3,310 - $745 other)

IHCIF Allocation

- $163,827 = $ to raise LNF% from 58.7% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$5,714 Allocation** = $163,827 needed for 60% * 3.488% IHCIF fraction

ROCKY BOY'S Unmet Needs

- **$12,821,130 Net Total Need** = 4,998 users * $2,565 net cost
- **$5,292,279 Net Unmet Need** = (100% - 58.7% LNF) * 4,998 users * $2,565 net cost